

MINUTES
HAMILTON COUNTY AIRPORT AUTHORITY
Hamilton County Government and Judicial Center
One Hamilton County Square
Noblesville, Indiana
June 3, 2010

President Silvey called the meeting of the Hamilton County Airport Authority to order at 6:30 p.m. Secretary Rauch called roll and declared a quorum present of Allyn Beaver, Tom Kapostasy, Ted Moran, Don Silvey, Bob Wilson and Scott Alexander.

Approval of Minutes

Kapostasy moved to approve the minutes of May 10, 2010. Wilson seconded. Motion carried unanimously. (5-0)

Committee Reports

Finance, Planning and Administration Committee

Silvey reported in the near future all financial plans should be in place and we will be able to award some of the additional construction contracts.

Operations Committee

Moran reported he attended a Westfield Chamber of Commerce luncheon and an economic development meeting.

Indianapolis Executive Airport Report

Dan Montgomery reported the following regarding Indianapolis Executive Airport (IEA):

- The website update continues with completion expected next week. The invoices from Schietlin have been forwarded to Kim Rauch for reimbursement of the operating fund.
- Andi Montgomery will be attending the Indiana State Chamber of Commerce on Friday (June 4th) for two meetings 1) with Michael Reed, Commissioner of the Indiana Department of Transportation (INDOT) to stress the importance of general aviation to the economy, 2) with the Indiana State Chamber of Commerce and various groups such as rail, ports and highways to work on a policy package for the Indiana General Assembly.
- Andi will be attending a meeting with the Indiana Department of Revenue, AAI (Aviation Association of Indiana) and Conexus to discussed continued aviation concerns.
- Dan will be attending the AAI Windmill information session at the Winamac Airport.
- The annual audit of the IEA Operating Account has been completed. Ramp parking fees and hangar rents were underpaid and the fuel flowage was overpaid thus a check for \$2,374.38 was paid for the 2009 incomes. They are looking into where the breakdown occurred and have taken steps to improve the monthly reporting.
- Dan requested the Board decide which group picture they want displayed at the airport. Andi will have it framed.
- The 2011 operating budget has been submitted to Don and Tom with no comments received. The budget will be brought for approval by the Board at the July meeting.

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- Donations are coming in for the Down Syndrome of Indiana Open House on August 21, 2010. Raffle prizes are still needed. Montgomery Aviation will be recognized at a home game of the Indianapolis Colts for their contributions to Down Syndrome of Indiana.
- Airport customers would like to see airport signs installed along 146th Street coming from Westfield. Silvey will speak with the staff at the Hamilton County Highway Department.
- Indianapolis 500 Race traffic was good with several jets and prop planes visiting IEA.
- Farm income has been paid and will be deposited into the IEA Operating Account.
- Fence has been installed around the house. Dan received a quotes to replace the farm fence that is falling down. Regular farm fence - \$1,459.35; chain link - \$4,075.18. Dan asked if there is extra funding available to replace the fencing? Howard stated at this time we have no money.
- Dan and Andi will be attending a AAI meeting with Conexus to discuss increasing Indiana's visibility regarding freight operations at the Indianapolis International Airport.

Woolpert Engineering Report

Fuel System Construction Bid Opening

On May 5, 2010 at 3:30 p.m. Mike Howard opened the bids for "Division C" Fuel System Construction. Non collusion Affidavit, Bid Bond, Form 96, Questionnaire, and DBE Information was included in all bids unless otherwise specified.

- RL Turner
 - Division "C" Base Bid - \$383,791
 - Division "C" Alternate Bid - \$383,879
 - Division "C" Additive to Base Bid - \$377,782
 - Division "C" Alternated to Additive - \$340,901
- Evans Development
 - Division "C" Base Bid - \$384,469
 - Division "C" Alternate Bid - \$406,894
 - Division "C" Additive to Base Bid - \$356,645
 - Division "C" Alternated to Additive - \$345,331
- Midwest Maintenance & Construction
 - Division "C" Base Bid - \$332,500
 - Division "C" Alternate Bid - \$325,500
 - Division "C" Additive to Base Bid - \$325,500
 - Division "C" Alternated to Additive - \$261,500
- Sparling Corporation
 - Division "C" Base Bid - \$314,578
 - Division "C" Alternate Bid - \$335,355
 - Division "C" Additive to Base Bid - \$310,380
 - Division "C" Alternated to Additive - \$297,550

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2010 Improvement Projects

Silvey distributed a spreadsheet listing the costs of the 2010 improvement projects. The Board committed funding from 2008, 2009 and 2010 totaling approximately \$360,000 spent in anticipation of the 2010 projects. The timing of the FAA (Federal Aviation Administration) grants has slowed down and we had hoped to have this funding in place before now. The Thomson TIF (Tax Increment Financing) funds will be available and we will need an additional \$60,000 out of the 2010 budget. \$170,000 has been transferred to pay for engineering. We currently have a balance of \$60,000 to \$70,000 in the capital improvements fund but we need \$60,000 of that balance. In the past the FAA does not include contingency funding, we must request it. For planning project finances the budgets include a 3% contingency. There will be some administrative costs that will vary. These numbers do not reflect the FAA funding. Silvey recommended proceeding with the following projects, subject to funding for the executive taxiway, waterline, north apron and septic system. The fuel system and hanger rehabilitation be temporarily held, subject to funding. This will allow us to make sure there is funding available to complete each project we start. Howard asked if the south jet ramp is proceeding? Silvey confirmed the south jet ramp project is underway. Part of the project has not been authorized and we may need to authorize work that we anticipate grant funding for but we need assurances from the FAA that if we proceed anticipating reimbursement and that money being used for initiating other items. The FAA rules on reimbursement are unique and we have to be sure we receive our money and are able to continue projects. Silvey thanked IDEM (Indiana Department of Environmental Management) and the Boone County Soil and Water Conservation District for their help and quick response to our requests.

Chris Snyder reviewed the 2010 anticipated construction schedule, based on the contractor's schedules. The Harper Company is trying to work with the airport as much as possible and holding off the south apron paving. Harper wants to do this work but at some point they will have to pull off site and there will be a demobilization charge. The schedule is for paving work to begin in late July. The Board currently has \$1.5 million in grants, which is approximately \$500,000 short of what is needed for total project costs. This gives Harper enough money to do all of the grading and drainage work and less than half of what they need for the paving. There are enough funds to start but it is not good to start them if they can not finish the work. Nick Isenberg has been working with Melanie from the FAA and she has been contacting several people to see how they can facilitate getting the funding. The FAA has informed us that currently there is a significant shortfall from the Great Lakes Region, which is how Congress is disbursing the funds to the regions but this information has not been to the FAA yet. Several projects are being held on funding so they are determining what the projects are and the critical nature of the projects. Snyder reported they will be meeting to address the IEA funding shortfall tomorrow. The FAA wants to do this project and they are trying to find a plan. Time is of the essence for the contractors, pricing and funding. Snyder advised the Board that we know the prices and based on Silvey's recommendation of holding on the hangar

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equates to about \$450,000, which is close to the budget shortfall. Woolpert has contacted Midwest, who was the lowest responsive bidder for the fuel system and they have offered a letter indicating they will hold their price for 90 days. Howard stated he understands the paving for the south ramp will not occur until July 1st no matter what? Snyder stated yes, that is the current proposed schedule. Howard asked if the worse case scenario is to release them to move forward and tell them that they don't get the paving component until they receive a notice to proceed from the Board. If we don't get the money or a commitment for the money by July 1st the Board will have to make a decision on whether to finish the project or hold off on the fuel farm. Snyder confirmed that is correct. Howard stated if this is the direction the Board wants to go a motion will be needed to move forward with the south ramp project and notify the contractor that he does not have a notice to proceed on the paving component until the next meeting. Silvey stated they have not been authorized to proceed with the paving; we are not stopping them with any motion we are setting a parameter of when we may give them notice to proceed. Howard stated the problem is we have tied the earthwork in for economies of scale, we will have to complete the south ramp, it is a question of whether it is completed with our money or FAA money. Snyder confirmed that is correct. Snyder stated if the paving component is not completed it will have to be rebid and you will not get the same unit prices and they will go up significantly which will ultimately depreciate a project.

Kapostasy summarized that we have our first project (Package 1) is partly funded and committed and there is part of the funding we don't have. We then have \$3 million of local projects. He is hearing that out of the local projects we need to take the fuel system and keep \$500,000 of that project from being released as a way to make sure we can pay for the FAA project in a worse case scenario but everything else can stay in place per the plan. We need to stay flexible in case the FAA can not pay for things or reimburse and we need to make the right motions in sequence to be able to pay for those projects. We don't want to move forward with paving if it will make us ineligible for funding. Snyder stated the funding scenario is in three parts: 1) we could receive a grant in June or July and by the time they get to the paving the money would be here; 2) we receive the grant in August or September after the paving is finished and that would be reimbursement. Snyder stated he thinks it will be either June/July or September; 3) the worse case scenario would be going into next year; the money would be reimbursed in April when you request the Non-primary Entitlement (NPE) money. Kapostasy stated we have \$500,000 that we thought we would get may not be received this year. The worst case is the FAA saying they have no money for us. If we take the \$500,000 out of the local funds and as long as there is an item on our local plan that would be eligible for reimbursement the only risk is one year's worth of cash flow that we did not expect to have and then when it is reimbursed we could finish the fuel system.

Snyder presented another proposal that the Board consider that rather than holding the fuel system they hold the waterline. The cost of the waterline is \$441,000 which is a higher cost. There is a discussion of the ability and need of the size of the service line. There is a possibility that it will be reduced and they could look at different options of service.

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Kapostasy stated he is in support of the original proposal; the waterline and septic system are part of the critical path to attract corporate investment.

Moran asked if we are under a FAA mandate or any mandate to replace the fuel system or rehab the hangar? Silvey stated on the location of the existing 100 LL it is in an area that it is in everyone's best interest to move it, but there is no deadline. Moran stated he does not see a problem, do what is the best option. If the FAA does not come through we have options.

Snyder asked if at all possible that the motion not wait until the next meeting. Harper has testing work they need to do for the concrete in advance of the paving work. There is administrative and prep work on site and mobilization that has to be done. Harper would like to initiate that work during the week of June 14th. Howard asked how far can they go without getting us in trouble with the project not being eligible for federal funding? Isenberg stated they have slowed up and they continue to slow up, he can talk with Harper.

Kapostasy moved to approve for the contractor on the existing project (South Ramp), the currently proposed FAA funded project, to proceed with their work with the support that the Board will fund the total amount whether the FAA funds it or not but the contractor needs to cooperate with the Board to define the contract that it can be reimbursable by the FAA if that is legally possible. Moran seconded. Motion carried unanimously. (5-0) Snyder clarified that if they get an agreement with Harper of the timing on the actual funding with the FAA when they plan on doing the paving, mobilization and demobilization and prep work and payment associated with that, the payment would be covered, if we get that agreement we can authorize that contract and Don (Silvey) can sign it? Silvey asked if the Board is authorizing him to sign all documents and so forth with those provisos? Wilson added as long as it meets legal guidelines. Howard stated if we found out that Harper has gone too far by the time we get the award this is not going to be a happy place to be. Snyder stated he understands. Moran asked if Harper has agreed to stay with the critical path scheduling? Snyder stated we have had to revise the schedule; if you are talking about completion of paving for an end date of August 21st they are still focused on that date and still intend to complete the paving by that time.

Silvey reported we anticipate the local funding becoming available on June 17, 2010 for the executive taxiway, waterline, north apron, and septic system. Silvey asked if it is the Board's desire to authorize the notice to proceed? Kapostasy moved that the Board approve the projects and funding laid out in the schedule for the executive taxiway for a maximum of \$391,000; the waterline for \$446,000; the north apron for \$654,000 and the septic system for \$566,000 with the notice to proceed after funding is approved by the county. Wilson seconded. Motion carried unanimously. (5-0)

No action is required for the fuel system due to the bid not being awarded at this time. Silvey stated the hold amount is approximately \$350,000.

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Waterline and Sewer Project

Snyder requested the bid for the waterline and sewer project be awarded to Poindexter and Woolpert's agreement for construction services on this project. Moran moved to award the bid to Poindexter for the waterline and septic system. A. Beaver seconded. Motion carried unanimously. (5-0)

Snyder requested a motion that the President be allowed to sign the Poindexter agreement before the next Board meeting, pending the funding, receipt of the contract and change orders. A. Beaver seconded. Motion carried unanimously. (5-0)

Snyder requested approval of the Woolpert Construction Services agreement in the amount of \$68,000 for administration, construction management, and testing inspection associated with the water and sewer. Poindexter will not start until July 1st so this can wait until the next meeting. Silvey asked if the other agreements for construction services have been approved for the other components? Snyder replied yes with the exception of the fuel ramp services. Howard recommended they put all of this into one contract and clean up the fuel system portion of the contract. Snyder stated they will make the corrections and bring the contract to the next meeting.

Snyder informed the Board they have received Rule 5 approval from IDEM on the waterline and sewer. Silvey reported IDEM has verbally ruled the airport is part of the Hamilton County MS-4 and therefore our approval for the construction phase runoff permit was issued by Boone County Soil and Water Conservation.

Snyder reported we have received the Boone County Health Department's approval of the sanitary sewer system.

Stormwater Pollution Prevention Plan

Snyder reported the airport's Stormwater Pollution Prevention Plan, Rule 6, has been updated. Snyder requested approval of the President's signature on the application and for the advertisement to be sent to the newspaper. Wilson so moved. Moran seconded. Motion carried unanimously. (5-0)

Snyder requested the President sign a letter to AT&T authorizing them to assign the address of 11355T East State Road 32 for the ITT Next Gen equipment. Kapostasy so moved. A. Beaver seconded. Motion carried unanimously. (5-0) Silvey asked when is ITT planning on being under construction? Snyder reported the original proposal was for May or June but a date has not been set, they need a final permit from SHIPPO, then a bid walk will be done with their contractors and they will select bids within a week and then give notification to the contractor. The estimated date is late June or early August to begin construction.

Kapostasy requested Woolpert supply the Board with a weekly or bi-weekly progress report of all the construction projects.

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New Business

2011 Proposed Budget

Silvey distributed a 2011 proposed budget for review. The board previously agreed to a \$10,000 reduction from the 2010 budget and Silvey has included an \$11,000 reduction in the proposed budget. Brad Beaver reported what the Board has done at this time is sufficient until the County receives more information from the State.

Legal Counsel

Thomson TIF Interlocal Agreement

Howard reported the Thomson TIF Interlocal Agreement between Carmel and Hamilton County is moving slowly. The County Council approved it unanimously and it still needs to be approved by the Hamilton County Redevelopment Commission (HCRD) and the City of Carmel. Carmel Plan Commission has approved the portion that is necessary for the airport funding. The HCRD will meet June 17, 2010.

Howard thanked Don Silvey for his assistance with communicating with Woolpert regarding the budget documents for the project.

Howard reported the litigation with Zionsville has been docketed in Marion County with a scheduled mediation set for June 29, 2010. Silvey will be attending the mediation. Howard requested a 20 minute Executive Session before the July 1st Board meeting.

Council Liaison

Brad Beaver confirmed that the airport will receive \$3.1 million after the June 17th meeting and asked if there is another \$1 million on top of that amount? Howard stated the total airport funding amount if \$3,849,000 the amount dedicated to projects is \$2,848,000. Beaver recommended the Board keep the \$1 million until directed by him to move the money.

Secretary's Report

Vendor Claims

Kapostasy moved to approve vendor claims in the amount of \$161,514.80. Wilson seconded. Motion carried unanimously.

Next Meeting

Thursday, July 1, 2010
6:00 p.m. Executive Session
6:30 p.m. Public Session

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Future Planning

Kapostasy recommended a mid-range planning retreat or informal discussion and consensus of the priorities be held by this Board. Silvey requested waiting a month or two until we see what FAA funding falls in place.

Airport's Economic Development

Silvey reported it has been in the news that Indianapolis International Airport has hired a consultant to look at how they manage their land. One of the things coming out of that is a website of how they are going about setting up the management of their land. When you go through the document one of the most striking components of their presentation is they are totally focusing on the fact that in previous decades and previous time periods this country has been driven by river travel, water travel, train travel and interstate travel and now we are reaching a point that one of the driving components for economic development is the importance of airports and air travel in the future of communities and economic development. When they are focusing on that and we come back to why the County Council created this Board and purchased the airport it was focused on economic development. The job that the Montgomery's have done with the economic development of the airport and it continues to increase and we have watched the estimates to go from \$22 million to \$44 million to \$88 million as the state association has looked at the economic impact of IEA, we are a poster child of what the Indianapolis Airport Authority is basically saying. We have a history that is something for everyone to be proud of. It is a credit to Dan and all of Montgomery Aviation.

Silvey adjourned the meeting.

Others Present

Michael Howard, Attorney
Chris Snyder, Woolpert Engineering
Nick Isenberg, Woolpert Engineering
Dan Montgomery, Montgomery Aviation
Bobby Beem, Montgomery Aviation
Ben Narwold
Kim Rauch, Interim Recording Secretary

Approved

Attest

Don Silvey, President

Kim Rauch, Interim Recording Secretary

Date: _____

Date: _____